



Santa Ana
Unified School District



Special Board Budget Study Session

November 23, 2009

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- Our target: Identify \$17.1 million in additional budget reductions
- To provide the Board with budget reduction proposals (which includes funding shifts)



- We Are Not Alone
 - Other Districts & State Budget Update
- Board Achievements and Priorities
- Proposed Program Reductions, Use of One Time Funds, and Funding Shifts
- Next Steps



We Are Not Alone: Other District's & State Budget Update



All Articles from November 11-19, 2009



Santa Ana
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Recent News on
Education Cuts

Breaking
News



- ❑ San Diego USD Brace yourself for school cuts
- ❑ Yucaipa district to close school campus
- ❑ Visalia USD may eliminate dozens of jobs
- ❑ Redondo Beach USD begins budget talk w/ staff
- ❑ Sports programs in jeopardy in Jurupa USD
- ❑ Elk Grove may cut school sports if employee groups do not take furlough (\$21 million)
- ❑ State's school funding system is failing
- ❑ \$32 million deficit projected for Orange USD schools
- ❑ El Rancho teachers agree to 3 furlough days
- ❑ LAUSD asks teachers for 4 furlough days and 12% salary reduction
- ❑ \$15 million in cuts proposed for Anaheim schools
- ❑ Lodi USD budget proposal irks union
- ❑ Chico USD facing state receivership
- ❑ Contract averts strike in West Contra Costa USD
- ❑ Travis USD tentative deal w/classified 2% cut
- ❑ Riverside school leaders say long term budget outlook is bleak
- ❑ UC adopts \$2500 student fee increase
- ❑ Educators argue schools can't endure more cuts
- ❑ Alvord cuts 5 days from this school year



- Governor's Press Conference (November 9, 2009):
 - California's budget will fall out of balance by an additional \$5 - \$7 billion this fiscal year (2009-10)
 - \$7.4 billion gap already projected for 2010-11.
 - A total 2 year budget deficit of \$12.4 - \$14.4 billion
 - He emphasized **deep spending cuts** as a budget solution but did not mention tax increases.



- Mac Taylor, Legislative Analyst (LAO's) Budget Report (November 18, 2009):
 - Identified a **\$20.7 billion** State budget deficit (over the next 18 months)
 - This is a **\$7.3 billion** larger deficit than the Governor announced last week
 - “No way that California can avoid reprioritizing its finances”
 - “..... no way that the Legislature, the Governor, and voters can avoid making additional, *very difficult choices about state priorities.*”
 - “In the coming years, major state spending programs will have to be significantly reduced.”



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Board Achievements and Priorities



- What was saved and/or added:
 - Grade 1 & 2 CSR (23:1 in Grade 1 and 24:1 in Grade 2)
 - Counselors
 - Added Library Media Techs / Computer Aides / Site Clerks for all Elementary sites
 - Athletics
 - The Elementary Music Program
 - School Police and District Safety Officers
 - Nurses
 - CalSafe and ROP programs maintained
 - Preserved funding for future textbook adoptions
 - GATE / CAHSEE / AVID Support
 - Preserved some of our TOSAs (Teachers on Special Assignment)
 - Outreach Consultants for Secondary sites
 - Restored School Police positions to 12 months
 - Increased Elementary Office Assistants from 4 to 6 hour positions



2010-11 Board Priorities

- Ensure Fiscal Solvency
- Grade K-3 Class Size Reduction (CSR)
 - Continue to offer grade 1 and 2 CSR for the second year using categorical funds
 - Grade 1 @ approximately 23:1; Grade 2 @ approximately 24:1
- Preserve Counselor & Library Services
- Maintain Athletics & Music Programs
- Safety
- Minimize the Impact of Cuts to Our Employees
- Continue to Provide Elementary Sites with Support Staff to Ensure Academic Achievement



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Proposed Program Reductions, Use of One Time Funds and Funding Shifts



Using one-time funds (as a budget cut) only defers the cuts to the following year

SAUSD has used one-time funds to maintain programs

- To **avoid layoffs** in 2008-09 due to **State mid year cuts** the Board used reserves to delay cuts until 2009-10
- Today, **ARRA funds** are appropriately being used in 2009-10 to save jobs which will delay identification of cuts to 2010-11



What we know today (Nov 23, 2009)

Description	2010-11	2011-12
Reductions Needed (as of Nov 23, 2009)	\$31.0	\$12.5
Use ARRA Stabilization this year / pushes cuts to next year	\$10.9 →	\$10.9
Teaching Staff budgeted and not hired due to enrollment drop	\$3.0	
Unidentified Budget Reductions Needed	<u>\$17.1</u>	<u>\$23.4</u>

Keep in mind as the year progresses that there may be additional unforeseen expenditures.



This target does not include possible mid, or future year State budget reductions.



Finding \$17.1 Million in Budget Reductions

Program / Funding Shift	Type of Reduction	2009-10 One-Time Cuts	2010-11 On-going Cuts	Balance
2010 – 11 Remaining Reductions needed				\$17.1
Utility Savings	Cut/Savings	\$0.1	\$0.2	
Portable Buildings Rental Reduction	Cut/Savings	n/a	\$0.2	
District Office Reorganization	Cut/Savings	\$0.1	\$0.3	
Negotiated Health & Welfare Savings	Cut/Savings	\$2.0	\$2.0	
Routine Restricted Maintenance RRMA Sweep	Sweep	\$1.5	\$0.8	
Deferred Maintenance Sweep	Sweep	\$0.6	\$0.3	
Fund 40 Portable Lease Costs	Funding Shift	n/a	\$0.7	
QEIA Portable Lease Costs	Funding Shift	\$0.8	\$0.8	
Title/Funding Change for Secondary AP (site EIA)	Funding Shift	\$0.4*	\$1.8	
Intermediate Counselor Funding with site EIA	Funding Shift	\$0.9	\$0.9	
Total Ongoing Cuts Identified (11/23/09)			\$8.0 →	<\$8.0>
Total One-Time Cuts Identified (11/23/09)		\$6.4 →		<\$6.4>
Remaining Cuts if One-Time Cuts Applied				\$2.7



Description	2010-11	2011-12
Reductions Needed (as of 11/23/09)	\$31.0	\$12.5
Use ARRA Stabilization this year / pushes cuts to next year	\$10.9 →	\$10.9
Staff not hired due to ADA drop	\$3.0	
Proposed ongoing reductions (11/23/09)	\$8.0	
Proposed one-time reductions (11/23/09) / pushes cuts to next year	\$6.4 →	\$6.4
Unidentified Budget Reductions Needed	\$2.7 →	\$29.8

Keep in mind as the year progresses that there may be additional unforeseen expenditures.



This target does not include possible mid, or future year State budget reductions.



Next Steps





- November 24th Board meeting
- Schedule additional, budget study session (if needed)
- December 8th Board meeting
 - Adopt First Interim Budget
- Prepare for possible mid and future year reductions.